

August 21, 2001

STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
SAN DIEGO REGION

ITEM 9
Doc 4

Attention: Mr. Frank Melbourn

In Re: Administrative Assessment of Civil Liability for violations of State Water Resources Control Board Order No. 99-08-DWQ (Construction Storm Water Permit) and Water Code sections 13376, 13383, and 13385 against:

- a. William Johnson and North Plaza LLC (Tentative Order No. 2001-215)
- b. William Johnson and Rancho California Highlands II LLC
(Tentative Order No. 2001-216)
- c. William Johnson and Vail Lake LLC (Tentative Order No. 2001-217)
(Frank Melbourn)

Submission of the following written information, pictures, and documents are being tender in advance of the 9-12-2001, hearing by the undersigned as a concerned and affected party: I intend to be available should there be questions.

Wednesday, September 12, 2001 – 9:00 a.m.
Rancho California Water District
District Board Room
42135 Winchester Road
Temecula, California

1. Pertains to - Item 16 of the AGENDA scheduled July 18, 2001.
TENTATIVE ORDER NO. 2001 –217 VAIL LAKE
2. Entities involved are VAIL LAKE USA, LLC and VAIL LAKE RANCHO CALIFORNIA, LLC.
3. Individual involved is WILLIAM P. JOHNSON

ALL DOCUMENTS, PICTURES, AND STATEMENTS MADE HEREIN AND IN COMPLYING THIS SUMMARY AND ITS EXHIBITS WERE GATHERED FROM PUBLIC SOURCES, DOCUMENTS PROVIDED BY SELTZER, CAPLAN McMAHON, NEWSPAPERS, PUBLIC RECORDINGS, COURT FILES, AND THIRD PARTY INFORMATION, AS SUCH, THERE IS NO REPRESENTATION MADE AS TO THE CURRENT NATURE, AS TO THE AUTHENTICITY, OR ACCURACY OF THIS SUBMISSION AND THE DOCUMENTS AND THE CONTENT CONTAINED HEREIN.

THIS SUBMISSION IS BEING MADE BY THE UNDERSIGNED AS A PERPETUAL USE LICENSEE OF THE VAIL LAKE PROPERTY, WHICH INTEREST IS BEING THREATENED BY CURRENT LITIGATION, AND AS AN ORIGINAL PARTY TO THE "CONSENT DECREE", UNDER WHICH THE SUBMITTER SUFFERS THE THREAT OF PERSONAL LIABILITY, AND AS A "MEMBER" "USER", THE POTENTIAL LOSS OF OWNERSHIP INTEREST DUE TO ACTIONS OF THE VIOLATOR, EITHER AS TO LEGAL ACTIONS, OR, ACTIONS, AS STATED HEREIN, WHICH CONSTITUTES VIOLATIONS BY THE VIOLATORS OF THE "CONSENT DECREE", WHICH MAY CALL FOR PUNATIVE ACTIONS BY THE REGULATORY AGENCY TO TERMINATE ALL USES.

Conduct, actions, and violation by the Recipients of the Administrative Assessment of Civil Liability as designated under Item 16 of the AGENDA scheduled July 18, 2001, constitute one of the most intentional and flagrant acts in the history of the State of California, warranting what Counsel for the Violators termed in the prior hearing, the "largest assessment in the history of the State of California".

NATURE OF VIOLATIONS

The Violations surrounding Vail Lake involves a substantially greater area that the "132 acre property described as Vail Lake" as set forth in the Staff Report, which Civil Liability development actions, charged herein, constitutes a only a minor phase of the total development plan.

- a. The described acreage size contained in VAIL LAKE, USA's Riverside County APPLICATION FOR SPECIFIC PLAN OF LAND USE, filed 10-16-2000, references approximately 7,456 acres, in addition to Vail Lake itself. Exhibit A, is part of the Mr. Johnson's Application packet, and fully reflects the massive nature of the Developers plan.

The Violations which occurred substantially exceed the offenses alleged to have been committed under "the Storm Water Enforcement Act".

- b. Exhibit B and Exhibit C, are photographs which show improper placement and processing of SEWAGE SLUDGE on the "acreage" and the resultant introduction into the Waters of Vail Lake.
- c. Exhibit D, consists of photographs (pictures 22 through 27) and a Video submitted herewith which shows the alleged Violators desecration of Arroyo Seco Creek, a public watercourse, and home to the Endangered Southwestern Toad, all within the Vail Lake Properties.
- d. Exhibit E, are photographs attached as Numbers 4 through 18, which show non-permitted and grievous GRADING of the "acreage".

CIRCUMSTANCES OF VIOLATIONS

The Violators were neither farmers, long-term owners, owners by inheritance, or otherwise innocent possessors of the "acreage". Violators would seem to be Land Speculators, knowing full well the sensitive nature of the Vail Lake property.

- e. The ownership Limited Liability Company's were all Newly Incorporated within the past three (3) years.
- f. Each was well apprised of the Endangered Species Habitat conditions, and cognizant of Water laws and the presence of numerous Endangered Species.
- g. Exhibit F, illustrates the principal Investors, Managers and/or Members of the LLC's are not un-sophisticated innocent parties, but, in fact, were each Listed Secured Creditors, Judgment Holders, Unsecured Creditors and/or Partners, each named in the 1994 Bankruptcy petition filed by William P. Johnson and Patricia D. Johnson, husband and wife, and are well informed as to his

methods and credit history. And yet, each of the Investors in each of the 3 properties the subject of this proceeding, elected to renew activities as Partners and Managers in the following development projects:

Mr. Peter Suprunuk (Rancho California Highlands, LLC) was involved as a Partner in Johnson + Johnson City Center, a Creditor for \$50,000; a Partner in Rancho California Country Club, Invested \$28,533, owed an unpaid Partner contribution of \$70,000; a Partner in Murrieta Hot Springs Country Club, Invested \$31,287, owed an unpaid Partner contribution of \$44,323; and a Partner in Winchester #635, Invested \$158,102, owed an unpaid Partner contribution of \$324,455.

Mr. Robert Chambers (North Plaza, LLC) was an unsecured Creditor for \$50,000; was involved as a Partner in Johnson + Johnson Development, Invested \$114,133, and owed an unpaid Partner contribution of \$280,000; a Partner in Murrieta Hot Springs Mobile Home Park, Invested \$66,556, owed an unpaid Partner contribution of \$2,140; a Partner in Rancho Core Partnership No. 2, Invested \$86,895, owed an unpaid Partner contribution of \$237,257; and a Partner in Winchester #635, Invested \$463,012, owed an unpaid Partner contribution of \$163,888.

Ms. Angela Chen Sabella (Vail Lake USA, LLC) was a Judgment Holder and a Partner in Westside Country Club, and a Creditor for \$520,006.

EXTENT OF VIOLATIONS

- h. Each of the Violators ignored numerous Notices of Violations, not for days, not for weeks, not for months, but, for several years.
- i. As of the date of the First Hearing, the Violators had not yet filed a required Technical Report with the Regional Board.
- j. The Violators did not follow even basic and customary standard protection policies as to the Properties involved, nor as to neighboring roads, waters, and properties.
- k. There were not less than five (5) separate discharges at each site, and three (3) out of (3) Projects were violated.
- l. Vast areas were involved, grading nearly one mile of roads, placement of more than 100 acres with SEWAGE SLUDGE, and contamination of a large amount of the drinking waters of the citizens of Temecula.

GRAVITY OF VIOLATIONS

The serious nature of the Violations have met with considerable public and private concerns.

- m. The properties and their respective owners, were Noticed via previously imposed fines levied by other Governmental Agencies, Riverside County and the City of Temecula.
- n. Exhibit G, illustrates the Violators were principal Defendants of a CEQA Complaint lodged by the non-profit ENDANGERED HABITATS LEAGUE, INC., against RIVERSIDE COUNTY and VAIL LAKE USA, LLC, which in summarized form involves, "the County failed to enforce ordinances regarding requirements for grading permits", and "the County failed to conduct environmental review of the proposed application of Sludge", which relates entirely to the Vail Lake Properties.

ABILITY TO PAY

The Violators seem to have "endless funds" with which to "up-grade" numerous properties. It would appear more than adequate funds are available for any sized penalty.

- o. Exhibit H, constitutes pages 1, 5, 25, 26, and page 1 of the Legal, of a Deed of Trust, recorded in Riverside County, 11-01-2000, most likely issued based on "improvements made" and "right to proceed", exhibited by William P. Johnson,

by which the VAIL LAKE LLC's were enabled to receive additional Loan and/or Investment Funds.

The Lender is Dynamic Finance Corporation (who previously loaned and filed a Deed of Trust on the Vail Lake Properties, for a loan of \$8.4 Million) who provided additional Funds in the sum of \$18,000,000.00 through the additional pledging of the "Vail Lake Properties".

Ms. Angela Chen Sabella, is the President of Dynamic Finance Corporation, one of 44 currently registered California Corporation, in which she serves in some capacity.

Construction began on Vail Lake July 1, 1999, Riverside County issued Notice of Violation to Mr. Johnson on 2-2-2000, for "illegally grading without required County permits at the Vail Lake site". Nevertheless, Lenders and Investors have recorded Trust Deeds for loans exceeding \$31,100,000.00, secured by Vail Lake and Walker Basin.

INTENT FOR CULPABILITY

Abbreviated press releases or articles displaying the veracity, attitude and intent of the Violators:

p. Exhibit H, attached is Californian article dated 2-8-2001, wherein developer William P. "Bill" Johnson is quoted as follows:

".... It appears that the Quino [butterfly] critical habitat is extensive and includes many important areas for the species"....

"But area developer Bill Johnson said the territory which takes in much of the 7,700 acres he owns around Vail Lake and where he eventually plan to build 5,000 homes is overkill. "We've done Quino surveys out there for the last three years, and we just simply have not found the butterfly" Johnson said. "It's just not there".

Exhibit J, attached is eminent Biologist Paul Principe's Letter dated 2-16-01, wherein he not only contradicts the above statements by "Bill Johnson", but, based upon Mr. Principe's specific knowledge, terms the statements by Mr. Johnson to be "an outright lie".

Also attached, is the July 4, 2001, issue of The Californian, which contains a full page advertisement (Exhibit I-2), placed and financed by Mr. Johnson, which is self explanatory.

Also attached, is a copy of the Californian, dated 7-26-00 (Exhibit I-3) which contains Bill and Trish Johnson's dedication to erect a "property rights memorial", to counter the "greatest land grab by the federal government since the seizure of territory from the Indians".

HISTORY OF VIOLATIONS

In response to William P. Johnson's "Specific Plan No. 324, Change of Zone Case No.

324, Comprehensive Plan Amendment No. 552 (VAIL LAKE SPECIFIC PLAN), the County of Riverside, Planning Department, in writing, addressed the following issues, which of course would have equal effect as relates to activities undertaken by Mr. Johnson, in the past:

- q. Exhibit J, consists of pages 8, 16, and 17, of the ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED issued by the Riverside Department of Planning, in initial response to Vail Lake USA, LLC's application by its Manager, William P. Johnson, which sets forth major and numerous concerns as to the effect of any activities which might take place on the Vail Lake Properties.

DEGREE OF CULPABILITY

It appears Mr. Johnson and his Investors have for sometime participated in a conspiracy to obtain Vail Lake, to further their gigantic plan to extract large sums of money, through a major Development Enterprise of Vail Lake and the Vail Lake Properties, irrespective of conflicting ownerships and Endangered Species and other Environment restraints.

- r. Exhibit K, consists of three summary pages of a Complaint filed and served by the RANCHO CALIFORNIA WATER DISTRICT, since 1978, the owner of all the Waters of Vail Lake, as well as all the Land under and surrounding Vail Lake to the high water mark. The principal Defendants is Vail Lake, USA, who is alleged by the provisions of the Complaint to be seeking to sell the Waters of Vail Lake to the San Diego Water Authority, and further, claims the rights to ownership of the Lake and the land there-under. (See attached newspaper article.
- s. Exhibit L, consists of the First page and Verification page of a Complaint filed with the Superior Court of Riverside County, by Mr. Johnson and his Companies, VAIL LAKE USA, LLC and VAIL LAKE RANCHO CALIFORNIA, LLC, wherein SUNDANCE INTERNATIONAL, LP, since 1994, the fee simple owner of certain Parcels of Real Property, contiguous to

Vail Lake, as well as, its Two Thousand plus (2,000+) LICENSEE MEMBERS, who have since said 1994 date, has had and now enjoyed the Perpetual Exclusive rights to the Recreational Use concerning the Waters of Vail Lake the, are Defendants.

Mr. Johnson seeks by extensive legal maneuvering and overwhelming legal expenses, to deprive the above parties of their respective rights and legal claims to Vail Lake, which rights and claims would certainly conflict with the Johnson's developmental filings and fictitious claims of ownership.

- t. Exhibit M, consists of a 3 page letter addressed and mailed to Tim Ven Linski, US ENVIRONMENTAL PROTECTION AGENCY, Department of Enforcement, addressing the Violation of an existing CONSENT AGREEMENT AND FINAL ORDER, pertaining to VAIL LAKE, and agreed to by KRDC, Inc., Mr. Johnson's predecessor in interest, wherein all successors in interest are bound.

Also attached is the first page of the Consent Decree, as well as pages 24 and 25, of the Annual Mitigation Report, wherein LSA the monitoring Biologists under the Consent Decree, states that the Johnson grading activities, invaded the Mitigation/Restoration areas, a picture of which area is attached as Exhibit M-2.

This of course subjects not only Mr. Johnson, his LLC's, but, also, KRDC and Sundance International, to potentially huge Monetary Penalties, additional Restoritory requirements, and perhaps, restrictions and/or loss of interests in Vail Lake, and the Vail Lake Properties.

ECONOMIC BENEFIT

The next included Exhibit, which constitute a formal Appraisal of the "improved" Vail Lake Properties, commissioned by Alcon Group, Inc., a company owned by, and managed by ANGELLA CHEN SABELLA, who appears to be not only the primary Investor and "true" owner of the Vail Lake Properties, but, also, the primary Manager and Owner of the LLC's.

- u. Exhibit N, consists of the first two pages of the cover page of the complete Appraisal Report. The following statement is made on page 2, "As pointed out in the analysis of highest and best use, the property could be worth \$100 million or more....".

The assessed Monetary penalty in this proceedings, and expenses of the various law-suits and other difficulties undertaken by the Speculators is only a small fraction of the prized profits.

EXHIBITS

- A Complete Map of Vail Lake Specific Plan
- B Excessive concentration of Sewage Sludge in field of Vail Lake Properties
- C Blackened Waters of Vail Lake containing SEWAGE SLUDGE run-off
- D 5 Photographs & Video of Machinery, removal of Boulders in ARROYO SECO CREEK, placement in to stone fence at Vail Lake Resorts
- E 13 Photographs of extensive Non-permitted GRADING of Pads, Roads, and Sites, all on the Vail Lake Properties
- F 11 pages extracted from William Paul Johnson's Bankruptcy, illustrating the prior relationship of the owners of the 3 Parcels
- G Copy of filed CEQA Complaint
- H Copy of Deed of Trust which identifies parties and terms of \$18 million dollar Loan on Vail Lake
- I Copy of The Californian article which quotes apparent Untruthful Statement by Mr. Johnson, as to presence of an Endangered Species at the Vail Lake Properties; a second issue of The Californian issued on the Fourth of July – property rights; and copy of third issue of The Californian which references a “property rights Memorial”
- J Copy of Biologists letter refuting above stated claims
- J-1 4TH of July Advertisement as to Property Rights
- J-2 Property Rights Memorial
- K Copy of Riverside County observations of Specific Plan Environmental Issues
- L Copy of Rancho California Water District Complaint involving Vail Lake
- L-1 Newspaper article describing Legal Action
- L-2 Copy of Sundance International First Amended Complaint
- M Copy of letter and Photograph concerning Consent Decree addressed to CA EPA
- M-1 Photograph of Re-vegetation Area
- N Copy of Appraisal establishing \$100 million value for Vail Lake Properties

VAIL LAKE

ILLUSTRATED CONCEPTUAL PLAN



In re William P. Johnson and Patricia
D. Johnson Debtor

Case No. 94-11859-M11
(If known)

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS
(Continuation Sheet)

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE	CODEBETOR HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND MARKET VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
ACCOUNT NO.		5/15/89 Note payable 1% ltd. prtnsp. int. in Rancho Cal. Spa & CC				54,000	
Hegbert Smith 42525 Kalmia Road Murrieta CA		VALUE \$					
ACCOUNT NO.		3rd trust deed 573 acres/Westside Country Club & Cal. limited Prtrsp.				520,006	
Angela Chen Sabella 853 E. Valley Blvd. Suite 200 San Gabriel CA 91776		VALUE \$					
ACCOUNT NO.		Prop. tax bond Westside Country Club - abstract of judgment filed 2/11/93				257,000	
Pacific States Casualty Co. 4021 Rosewood Ave. 3rd Fl. Los Angeles CA 90004		VALUE \$					
ACCOUNT NO.		8/31/89 note payable 1.77% ltd. prtn. int. in Rancho Cal. Spa & CC				73,000	
John Musch Adresources, Inc. 2082 Michaelson Dr. #100 Irvine CA 92715		VALUE \$					
ACCOUNT NO.		4/5/91 note pay. 2% ltd. ptn. int. in Rancho Cal. Spa & CC				100,000	
Yolanda Brokowsky 6467 E. Washington Blvd. Los Angeles CA 90040		VALUE \$					

Sheet no. 1 of 2 continuation sheets attached to Schedule of Creditors
Holding Secured Claims

Subtotal -
(Total of this page) \$ 1,004,006
Total -
(Use only on last page) \$

(Report total also on Summary of Schedules)

In re William P. Johnson and Patricia
Debtor

Case No. 94-11859-M11
(If known)

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

State the name, mailing address, including zip code, and account number, if any, of all entities holding claims secured by property of the debtor as of the date of filing of the petition. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests. List creditors in alphabetical order to the extent practicable. If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

☐ Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE	CODEBTOR HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND MARKET VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
ACCOUNT NO. San Diego National Bank Miles D. Grant, Esq. 501 W. Broadway #2001 San Diego CA 92101		Judgment 3/31/93 71 acres w/structure 29400 Rancho Cal. Rd. Temecula CA VALUE \$ 1,000,000				\$758,272	
ACCOUNT NO. Bill Dendy P.O. Box 1142 Escondido CA 92025		Note payable 12 residential lots Mono CA VALUE \$ -				400,000	
ACCOUNT NO. Peter & Dorothy Suprunuk 7050 E. Slauson Ave. Commerce CA 90040		5/28/93 8.1% ltd. prtnshp. interest in Johnson + Johnson City Center NO. 1 & commission from sale VALUE \$				50,000	
ACCOUNT NO. Alex & Dorothy Patapoff 10315 E. Kimbark Ave Whittier CA 90601		2/8/93 8.1% ltd. prtnshp. share in J+J City Center No. 1 and commission from sale VALUE \$				50,000	
Subtotal -> (Total of this page)						\$ 1,258,272	
Total ->							

STATEMENT OF FINANCIAL AFFAIRS

4(a)

Pacific States v. Westside Golf Club, et al., Case #225943,
Breach of Contract, Abstract of Judgment 2/11/93

Carson v. Nastro, et al., Case #251970, Damages, Cross-
Complaint active

Shurtliff v. Johnson + Johnson, et al., Case #217851, Breach
of Contract, active

Weise v. Johnson, et al., Case #218930, Money, 10/19/94
motion for turnover order in aid of execution granted

Sabella v. Johnson, et al., Case #232448, Money, active

Sumtomo Bank v. Johnson + Johnson City Center, et al., Case
#236654, Specific Performance, dismissed 3/10/94

The Echo Group v. Johnson, et al., Case #236689, Breach of
Contract, trial set for 1/15/94.

Mercedes Benz v. Johnson, et al. Case #258019, Breach of
Contract, active

Burns v. RCA No. 1, et al., Case #220873, Money, Judgment 11/
24/92

Kinney v. Simonson, et al., Case #215830, Damages, Settlement
Conf. 2/14/95, Trial 3/20/95

Taylor v. Johnson, et al., Case #218745, Breach of Contract,
Dismissed 9/20/93

Dendy v. Johnson, et al., Case #226954, Money, Judgment 1/14/
94

Alstrup v. Johnson, et al., Case #233491, Breach of Contract,
Trial 11/18/94

Crist Trusts v. W/635, et al., Case #247038, Dissolution of
Partnership, dismissed 5/5/94

Murrietta Hot Springs Mobile Home Park v. Dan Russie, et al.,
Case #190292, Riverside, Abstract of Judgment

Bilbud Rancho California, Ltd., et al. v. Johnson + Johnson
Development Corp., et al., Case #N61266, San Diego Superior

Biggs v. Johnson, et al., Case #2814, California Justice
Court, County of Mono

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

RANCHO CALIFORNIA SPA and COUNTRY CLUB
c/o Johnson + Johnson Development Corp.
Box 1027
Lemecula, CA 92390

EXHIBIT "A"

Tenth Amendment
Filed 3/26/91

Corrections made 5/94
Johnson - 1.38%
Waters + 1.58%

	INITIAL CONTRIBUTION	MAXIMUM ADDITIONAL CASH REQUIRED OVER THE TERM OF THE PARTNERSHIP	PARTNER % OF CAPITAL	PARTNER % OF PROFIT/LOSS
<u>GENERAL PARTNER</u>				
JOHNSON + JOHNSON DEVELOPMENT CORPORATION	0	0	0	25.00(1)
<u>LIMITED PARTNERS</u>				
MURRIETA HOT SPRINGS MOBILE HOME PARK	\$ 1,460,892	\$ 3,584,000	25.60	19.20
WILLIAM P. JOHNSON & PATRICIA D. JOHNSON	2,235,037	5,677,000	39.17	29.395
LOUIE H. TAN & ELIZABETH TAN	57,066	140,000	1.00	.75
PAUL A. TAYLOR & MARGARET TAYLOR FAMILY TRUST	91,306	224,000	1.60	1.20
RICHARD TAYLOR COMPANY, INC. RICHARD TAYLOR, PRESIDENT	57,066	140,000	1.00	.75
THE RUOFF FAMILY TRUST UTD 8/20/75 VERNET L. RUOFF & MARGARET L. RUOFF, TRUSTEES	57,066	140,000	1.00	.75
ROBERT G. QUINN & JANET S. QUINN	24,000	58,800	.42	.32
ROBERT CHAMBERS & CLYTIA CHAMBERS	114,133	280,000	2.00	1.505
CITRUS NEUROSURGICAL MEDICAL GROUP, MONEY PURCHASE PENSION PLAN	171,198	420,000	3.00	2.25
JAMES S. SHAFER, MD & LINDA J. SHAFER	57,066	140,000	1.00	.75
WILLIAM TEKUNOFF & BETTY TEKUNOFF	114,132	280,000	2.00	1.50
Jane J. Lombardo Tr THE JANE J. LOMBARDO TRUST U/D/D 9/26/90	57,066	140,000	1.00	.75
W.F. NEWTON, TRUSTEE FOR THE NEWTON TRUST	33,283	81,200	.58	.43

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

EXHIBIT "A" - CONTINUED

RANCHO CALIFORNIA SPA AND COUNTRY CLUB
/o Johnson + Johnson Development Corp.
P.O. Box 1027
Rancho California, CA 92390

RANCHO CALIFORNIA SPA AND COUNTRY CLUB PARTNERSHIP SHARE	INITIAL CONTRIBUTION	MAXIMUM ADDITIONAL CASH REQUIRED OVER THE TERM OF THE PARTNERSHIP	PARTNER % OF CAPITAL	PARTNER % OF PROFIT/LOSS
<u>LIMITED PARTNERS-Cont'd.</u>				
FULLMER-MURRIETA BILL J. FULLMER	285,330	700,000	5.00	3.75
CANDACE FULLMER	57,066	140,000	1.00	.75
HY BROKOWSKY	114,132	280,000	2.00	1.50
RAYMAN INVESTMENTS, INC. MAURICE RAYNOR, PRESIDENT	114,132	280,000	2.00	1.50
MICHAEL LUNDIN & PATRICIA B. LUNDIN	57,066	140,000	1.00	.75
PERKINS TRUST CHARLES A. PERKINS, TRUSTEE JOAN S. PERKINS, TRUSTEE	57,066	140,000	1.00	.75
ALUM A FOLD PACIFIC PENSION PLAN PETER SUPRUNUK, TRUSTEE	57,066	140,000	1.00	.75
PETER SUPRUNUK & DOROTHY L. SUPRUNUK	28,533	70,000	.50	.37
SABA A. SABA & SHIRLEY L. SABA	114,132	280,000	2.00	1.50
RICHARD C. & KAREN E. TAYLOR TRUST dated 12/10/86 RICHARD C. TAYLOR, TRUSTEE KAREN E. TAYLOR, TRUSTEE	28,533	70,000	.50	.37

EXHIBIT "A"

FIFTH AMENDMENT
08/04/92

WESTSIDE COUNTRY CLUB,
A California Limited Partnership
27450 Ynez Rd., #200
Temecula, CA 92591

WESTSIDE COUNTRY CLUB PARTNERSHIP SHARE	PERCENT OF CAPITAL	PERCENT OF PROFIT/ LOSS
JAMES S. BEAUCHAMP A SINGLE MAN	2.00%	1.70%
ALUM A FOLD PACIFIC DEFINED BENEFIT PEN. PLAN	1.88%	1.59%
PETER SUPRUNUK & DOROTHY SUPRUNUK H&W AS JOINT TENANTS	1.13%	0.96%
JEANETTE KESELOFF, TRUSTEE KESELOFF FAMILY TRUST	1.13%	0.96%
CONGER FAMILY TRUST GEORGE D. CONGER, TRUSTEE NANCY L. CONGER, TRUSTEE	1.44%	1.22%
GUY C. CONGER, A SINGLE MAN	0.72%	0.61%
DEAN M. CONGER A SINGLE MAN	0.72%	0.61%
TEAL PROPERTIES BETTE J. MCFERSON	5.00%	4.25%
THE ECHO GROUP RICHARD C. RIVETT	1.00%	0.85%
BRUCE V. BAUMANN TRUST BRUCE V. BAUMANN, TRUSTEE MARLENE J. BAUMANN, TRUSTEE	1.00%	0.85%
G. BARTON PAYNE, A MARRIED MAN, AS SEPARATE PROPERTY	6.00%	5.10%

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:MURRIETA HOT SPRINGS MOBILE HOME PARK
P.O. Box 1027
Rancho California, California 92390*Updated 3/8/92*
ASSETS
SOLD
STILL HAVE
A PERCENTAGE
OF OWNER SWIP
IN SPRA & CC

MURRIETA HOT SPRINGS MOBILE HOME PARK PARTNERS	INITIAL CONTRIBUTION	*MAXIMUM ADDITIONAL CASH REQUIRED OVER 5 YEAR TERM OF THE PARTNERSHIP	INITIAL % OF CAPITAL	INITIAL % PROFIT/LOSS
<u>GENERAL PARTNER</u>				
JOHNSON + JOHNSON DEV. CORP. William P. Johnson, President	0	0	0	15.
<u>LIMITED PARTNERS</u>				
WOOD FAMILY TRUST UTA DATED 10/16/73 1318 N. Hollydale Dr. Fullerton, CA 92631	\$ 66,556.00	\$ 2,142.86	3.906	3.320
VERNET L. RUOFF & MARGARET L. RUOFF 1513 Robin Way Fullerton, CA 92635	16,639.00	535.73	0.977	0.832
ROBERT G. QUINN & JANET S. QUINN 1536 Robin Way Fullerton, CA 92635	16,639.00	535.72	0.977	0.832
ERNEST N. HARMON, JR. & JOYCE J. HARMON LIVING TRUST DATED 8/24/87 1106 N. Glenhaven Fullerton, CA 92635	33,278.00	1,071.42	1.953	1.660
CHESTER SQUIBB 1990 TRUST DTD. 634 Palo Alto 7/25/90 Redlands, CA 92373	66,556.00	2,142.86	3.906	3.320
ROBERT CHAMBERS, MD & CLYTIA CHAMBERS 11439 Laurel Crest Dr. Studio City, CA 91604	66,556.00	2,142.86	3.906	3.320
M. RAY ROGERS, M.D. & ANNELISE M. ROGERS 3141 E. Cameron Ave. West Covina, CA 92791	66,556.00	2,142.86	3.906	3.320
JAMES S. SHAFER, M.D. 20451 Rancho La Floresta Rd. Covina, CA 91724	66,556.00	2,142.86	3.906	3.320
LOUIE H. TAN & ELIZABETH TAN 17401 Blossom Hill Way Salinas, CA 93908	66,556.00	2,142.86	3.906	3.320
DAVID L. NELSON & MICHELE M. MONTLLOR 470 Columbia Circle Pasadena, CA 91105	33,278.00	1,071.42	1.953	1.660

EXHIBIT "A"

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

MURRIETA HOT SPRINGS COUNTRY CLUB, a California Limited Partnership
29400 Rancho California Road
Rancho California, CA 92390

11/10/11
ASSET LOST
THROUGH
ENCLOSURE

PARTNERSHIP SHARE	INITIAL CONTRIBUTION	MAXIMUM ADDITIONAL CASH REQUIRED OVER THE 5 YEAR TERM OF THE PARTNERSHIP	PARTNER % OF CAPITAL	PARTNER % OF PROFIT/LOSS
<u>GENERAL PARTNER</u>	0	0	0	15.0 %
<u>LIMITED PARTNERS</u>				
ALUM A FOLD PACIFIC LTD., DEFERRED BENEFIT PENSION PLAN Peter Suprunuk, Trustee 2050 E. Slauson Avenue Commerce, CA 90040	\$ 62,574.00	\$ 88,646.00	10.000 %	8.500 %
MEL A. CONGDON 1526 E. Level St. Covina, CA 91724	15,643.50	22,161.50	2.500 %	2.125 %
GEORGE D. & NANCY L. CONGER, Trustees for CONGER FAMILY TRUST 19831 Golden Baugh Covina, CA 91724	93,861.00	132,969.00	15.000 %	12.750 %
JAIME CONTRERAS as Sep.Prop. 1535 W. Merced # 304 West Covina, CA 91790	25,000.00	35,414.08	3.995 %	3.396 %
R/H JACK FAMILY TRUST u/d/t/ dtd. 9/27/88 RICHARD JACK and MARTHA H. JACK, Trustees 1035 Charlinda Covina, CA 91791	15,643.50	22,161.50	2.500 %	2.125 %
DIANE KESLOFF, Trustee KESELOFF FAMILY TRUST dtd. 10/31/90 1121 DeAnza Place Arcadia, CA 91006	31,287.00	44,323.00	5.000 %	4.250 %
WIEGLER FAMILY TRUST 2226 Whitebriar Dr. West Covina, CA 91791	62,574.00	88,646.00	-10.000 %	8.500 %
CHARLES A. & JOAN S. PERKINS, TRUSTEES FOR PERKINS TRUST 5 Buggywhip Drive Rolling Hills, CA 90274	176,000.00	249,325.74	28.126 %	23.907 %
DAVID PERKINS 5 Buggywhip Drive Rolling Hills, CA 90274	20,000.00	28,331.26	3.196 %	2.717 %
PETER SUPRUNUK MARGARET L. SUPRUNUK 189 Sparks Canyon Rd. Brea, CA 91010	31,287.00	44,323.00	5.000 %	4.250 %
ROYALTY WAREHOUSE CORP. By Bepkovsky, Pres. 6667 E. Washington Blvd. Los Angeles, CA 90040	2,628.00	3,723.00	.420 %	.357 %
PAUL A. TAYLOR & MARGARET TAYLOR FAMILY TRUST 1068 S. San Gabriel Blvd. Pasadena, CA 91103	4,046.00	5,743.84	.648 %	.550 %

PARTNERSHIP SHARE	INITIAL CONTRIBUTION	MAXIMUM ADDITIONAL CASH REQUIRED OVER THE TERM OF THE PARTNERSHIP	PARTNER % OF CAPITAL	PARTNER % PROFIT/LOSS
St.Amand Family Trust Eugene E. & Joyce M. St.Amand, Trustees	43,447	118,628	3.7632 %	3.01056
Sears Machine Company a Corporation	43,447	118,628	3.7632 %	3.01056
Winner Industrial Investors a Joint Venture	43,447	118,628	3.7632 %	3.01056
Robert R. Chambers & Clytia M. Chambers as Tenants in Common	86,895	237,257	7.5264 %	6.02112
William P. Snider and Ramona d Snider, Trustees of the SNIDER TRUST dtd. 10/16/91	32,586	88,971	2.8224 %	2.2579
R/M Jack Family Trust u/d/t/ dated 9/27/88 P. Richard Jack and Martha H. Jack Trustees	32,586	88,971	2.8224 %	2.25790
Geroge D. Conger, M.D., Inc. Profit Trust, George D. Conger, Trustee	13,035	35,590	1.1290 %	.90320
George D. Conger, M.D., Inc. Pension Trust, George D. Conger, Trustee	8,689	23,724	.7526 %	.60210
Elmer C. Spietz and Frances R. Spietz, Trustees of the SPIETZ LIVING TRUST dtd. 4/19/90	(99,500) Actual 21,724 Required	(26,094) 59,314	1.8816 %	1.50528
Henning L. Alstrup & Kirsten Alstrup as Community Property	(99,500) Actual 21,724 Required	(26,094) 59,314	1.8816 %	1.50528
ba A. Saba and urley L. Saba (Shirley) s Joint Tenants	86,895	237,257	7.5264 %	6.021

WINCHESTER 635
EXHIBIT "A"
22-Oct-91

*asset
lost through
foreclosure*

PARTNERSHIP SHARE	INITIAL CONTRIBUTION	MAXIMUM ADDITIONAL CASH REQUIRED OVER THE TERM OF THE PARTNERSHIP	PARTNER % OF CAPITAL	PARTNER % PROFIT/LOSS
JOHNSON + JOHNSON DEVELOPMENT CORP.				15.00%
NON-LEVERAGED				
KENNETH G. LEE	27,515	9,501	0.16%	0.14%
JACK A. & DOROTHY E. TAYLOR AS JOINT TENANTS	472,511	167,451	2.82%	2.40%
ROBERT R. & CLYTIA M. CHAMBERS TENANTS IN COMMON	463,012	163,888	2.76%	2.35%
ROBERT M. & SHERI L. RIDDAR AS JOINT TENANTS, WROS	84,735	30,284	0.51%	0.43%
J. FERRARO FAMILY EDUCATIONAL TRUST FUND	122,832	43,347	0.73%	0.62%
KENNETH N. & BETTY N. FERRARO COMMUNITY PROPERTY	122,652	43,347	0.73%	0.62%
N.J. SALES GROUP TIM T. TSUKAMOTO & BRIAN J. TAYLOR TRUSTEES	90,000	32,065	0.54%	0.46%
MICHAEL J.K. CRAIG	100,000	35,628	0.60%	0.51%
J. & M INVESTMENTS A LIMITED PARTNERSHIP	262,284	92,632	1.56%	1.33%
GORDON A. HAGERMAN, M.D. SEPARATE PROPERTY	350,901	124,104	2.09%	1.78%
MATTHEWS INVESTMENTS BRIAN J. TAYLOR, TRUSTEE	474,634	168,045	2.83%	2.41%
JOHN G. & DEBRA T. DIEHL AS JOINT TENANTS	30,000	10,688	0.18%	0.15%
WM A FOLD PACIFIC PENSION PLAN, PETER SUPRUNUK, TRUSTEE	630,636	223,268	3.76%	3.20%
JAY I. & ALICE C. MULDER AS JOINT TENANTS	84,429	29,690	0.50%	0.43%

WINCHESTER 635
EXHIBIT "A"
22-Oct-91

PARTNERSHIP SHARE	INITIAL CONTRIBUTION	MAXIMUM ADDITIONAL CASH REQUIRED OVER THE TERM OF THE PARTNERSHIP	PARTNER % OF CAPITAL	PARTNER % PROFIT/LOSS
YOLANDA BROKOWSKY	60,000	21,258	0.36%	0.30%
YOLANDA BROKOWSKY	31,000	10,688	0.18%	0.15%
MICHAEL SHIMA	50,000	17,814	0.30%	0.26%
GORDON T/SHIRLEY M. MACPHERSON REVOCABLE ESTATE TRUST/DATED 4/2/87	81,527	29,096	0.49%	0.42%
BRUCE V. BAUMANN TTE FBO BRUCE V. BAUMANN VB & P BAUMANN INC MONEY PURCHASE PENSION PLAN	83,754	29,690	0.50%	0.43%
ST TRUST, PATRICIA KENNY, T.O G. BARTON PAYNE #A227945-0001	167,775	59,380	1.00%	0.85%
LOYALTY WAREHOUSE CORPORATION HY BROKOWSKY, PRESIDENT	150,488	53,442	0.90%	0.77%
KENNETH P. & OAKJA HAN AS COMMUNITY PROPERTY	44,200	15,439	0.26%	0.22%
LEVERAGED				
EUGENE E. & JOYCE M. ST. AMAND AS JOINT TENANTS	410,537	843,959	4.50%	3.83%
MICHAEL J.K. CRAIG	99,580	204,426	1.09%	0.93%
DR. WARREN A. NAFIS	125,313	256,939	1.37%	1.16%
PETER & DOROTHY L. SUPRUNUK AS JOINT TENANTS	158,102	324,455	1.73%	1.47%
RICHARD TAYLOR FAMILY TRUST	92,911	191,297	1.02%	0.87%
MES J. & VIRGINIA M. DONOHUE NT TENANTS WROS	47,354	97,524	0.52%	0.44%
WILLIAM P. & PATRICIA D. JOHNSON AS COMMUNITY PROPERTY	580,237	1,194,671	6.37%	5.41%

JOHNSON & SEDLACK
 RAYMOND W. JOHNSON SBN 192708
 CARL T. SEDLACK SBN 192465
 26785 Camino Seco
 Temecula, CA 92590
 Telephone: (909) 506-9925
 Fax: (909) 506-9725

FILED
 SUPERIOR/JUDICIAL COURT
 OF RIVERSIDE COUNTY

MAR 10 2000

m/c

Attorneys for: Petitioner Endangered Habitats League

SUPERIOR COURT OF THE STATE OF CALIFORNIA
 COUNTY OF RIVERSIDE

ENDANGERED HABITATS LEAGUE, INC.,
 a non-profit Corporation
 Petitioner,
 vs.

Case No.: **RIC 340144**
 ASSIGNED FOR ALL PURPOSES TO:
 JUDGE: **Hon Charles D Field**
 DEPARTMENT: **05**
 ACTION FILED **3-10-00**

RIVERSIDE COUNTY.

Respondent

RIVERSIDE COUNTY BOARD OF
 SUPERVISORS.

Respondent

VAIL LAKE USA LLC

Real Party in interest

DOMENIGONI BROS. RANCH

Real Party in interest

PETITION FOR WRIT OF MANDATE
 AND DECLARATORY RELIEF
 (CCP 1094.5 and 1085, Public Resources
 Code § 21000, et seq.)

INTRODUCTION

1. Petitioner, Endangered Habitats League (hereinafter EHL) respectfully requests issuance of a peremptory writ of mandate setting aside the decisions of the Riverside County Board of Supervisors and Riverside County (hereinafter, County) which approved an

1 exemption from requirements for a grading permit and failed to conduct environmental
2 review under CEQA prior to approving the project in spite of the fact that the property in
3 question is occupied by the Quino checkerspot butterfly and California gnatcatcher, rare,
4 threatened or endangered species. The County failed to conduct environmental review of
5 the proposed application of sludge. The County approvals would significantly impact the
6 Quino checkerspot butterfly, (hereinafter, Quino), and the California gnatcatcher
7 (hereinafter gnatcatcher).
8

- 9 2. The County failed to comply with its own ordinances regarding requirements for grading
10 permits. The County failed, prior to making its determination relative to issuance of a
11 grading permit, to conduct an environmental review as required by the California
12 Environmental Quality Act, (hereinafter CEQA). By this verified Petition, Petitioner,
13 Endangered Habitats League alleges:
14

15 PARTIES

- 16 3. Petitioner, the Endangered Habitats League, is a membership corporation of Southern
17 California conservation groups and individuals dedicated to ecosystem protection and
18 improved land use planning, with special emphasis on endangered species. Members of
19 the Endangered Habitats League include individuals and environmental groups residing
20 in Riverside County. The major goals and objectives of the Endangered Habitats League
21 include engaging in multiple species planning programs in Riverside, San Diego, Los
22 Angeles, Orange and San Bernardino Counties.
- 23 4. Respondent Riverside County, is a political subdivision of the state of California.
- 24 5. The Board of Supervisors for Riverside County (hereinafter Board) is the governing body
25 for Riverside County
26
- 27 6. Real Parties in interest Vail Lake USA LLC were the applicants in the request for an
28 exemption from grading permit requirements and are the owners of the property for which

1 the sludge application permit was issued; Real Parties Domenigoni Bros. Ranch were the
2 applicants for a sludge application permit.

- 3 7. The maintenance of this action is for the purpose of enforcing important public policies
4 of the State of California with respect to conformance with County ordinances, the
5 protection of environmentally sensitive habitat, endangered species, and public
6 participation under the California Environmental Quality Act (CEQA). The maintenance
7 and prosecution of this action will confer a substantial benefit upon the public by
8 protecting the public from the environmental and other harms alleged in this Petition.
9 Petitioner is acting as a private attorney general to enforce these public policies and
10 prevent such harm. As such, Petitioner is entitled to the recovery of reasonable attorney's
11 fees under CCP § 1021.5.

13 STATEMENT OF FACTS

- 14
15 8. The Quino is a species listed as being endangered according to the Federal Endangered
16 Species Act (hereinafter FESA).
17 9. The California gnatcatcher is a species listed as threatened according to the Federal
18 Endangered Species Act.
19 10. The County made a determination that the grading by Real Parties was exempt from the
20 grading ordinance permit requirements or did not make a determination that the grading
21 by Real Parties was subject to the requirements of the grading ordinance.
22 11. Riverside County Ordinance 696 requires that the area covered with sludge be disced
23 within 24 hours of application of sludge.
24 12. The County issued a permit for the application of sewage sludge to Real Parties
25 Domenigoni Bros. Ranch according to Riverside County Ordinance 696.
26 13. The County's approval of the Project will cause Petitioner irreparable injury for which it
27 has no adequate remedy at law.
28 14. Petitioner and its members will be irreparably harmed by the destruction of existing

1 environmentally sensitive habitat as well as the potential take of an endangered species as
2 a result of the grading on the subject property by the applicant and by the application of
3 sewage sludge and associated discing.

- 4 15. Petitioner has performed all conditions precedent to filing this action by complying with
5 the requirements of Pub. Res. Code § 21167.5, by notifying Respondents of the filing of
6 this action, and requesting the preparation of the administrative record of Respondents
7 proceedings in connection with this action on December 15, 1998 as required by Pub.
8 Res. Code § 21167.6. (Attached hereto as Exhibit A).

9
10 **FIRST CAUSE OF ACTION**

11 **(County did not comply with requirements of County Grading Ordinances)**

- 12
13 16. Petitioner hereby realleges and incorporates paragraphs 1 through 15 inclusive.
14 17. County grading ordinances require a grading permit when the amount of earth to be
15 moved exceeds fifty cubic yards unless an exemption applies.
16 18. The issuance of grading permits is a discretionary action under Riverside County
17 Ordinances.
18 19. Real Party Vail Lake USA LLC or its agents graded over fifty cubic yards on the
19 property in question
20 20. The grading in question was not subject to one of the exemptions within the ordinance.
21 21. The County of Riverside failed to require a grading permit.
22 22. By not complying with its own grading ordinances, the County committed an abuse of
23 discretion and its determination must be overturned.

24
25 **SECOND CAUSE OF ACTION**

26 **The County improperly made its determination regarding grading by Real Party Vail Lake**
27 **USA LLC without conducting environmental review as required by CEQA**

- 28 23. Petitioner hereby realleges and incorporates paragraphs 1 through 22 inclusive.

- 1 24. CEQA requires that any local agency of the state "shall prepare, or cause to be prepared
2 by contract, and certify the completion of, an environmental impact report on any project
3 that they intend to carry out or approve which may have a significant impact on the
4 environment." Public Resources Code, (hereinafter PRC), §21151 (a) [emphasis added]
- 5 25. CEQA defines a project as an "activity which may cause either a direct physical change
6 in the environment, or a reasonably foreseeable indirect physical change in the
7 environment. . ." PRC § 21065 [emphasis added] The land disturbances from grading
8 will, by causing an impact on an endangered species, both individually and cumulatively,
9 result in foreseeable direct and indirect physical changes in the environment and thus fits
10 within the meaning of "project" as defined by CEQA.
- 11 26. The determination made regarding the issuance or applicability of a grading permit for
12 the grading activities by Real Pary Vail Lake USA LLC was a discretionary action as
13 defined by CEQA.
- 14 27. The County failed to prepare any environmental review prior to making its determination.
- 15 28. The County failed to conduct environmental review for its determination regarding a
16 grading permit in spite of the fact that the grading has the potential to (a) substantially
17 reduce the habitat an endangered species, (b) cause an endangered species population to
18 drop below self-sustaining levels, (c) threaten to eliminate an animal community and (d)
19 reduce the number or restrict the range of an endangered, species. Failure to conduct an
20 environmental review in light of these potential impacts which would result in mandatory
21 findings of significance, is in violation of CEQA Guidelines §15065.
- 22 29. By not completing an environmental review, in light of apparent significant effects on
23 the environment Respondents committed a prejudicial abuse of discretion as specified in
24 Pub. Res. Code § 21005 and the determination regarding the issuance or applicability of a
25 grading permit must be set aside.

26
27 THIRD CAUSE OF ACTION
28

1 (County Did Not Comply With Requirements Of CEQA Prior To Its Issuance Of A Permit
2 To Apply Sewage Sludge To The Subject Property.)
3

- 4 30. Petitioner hereby realleges and incorporates paragraphs 1 through 29 inclusive.
5 31. The decision to issue a permit for the application of sewage sludge to the subject property
6 was a discretionary action as defined by CEQA.
7 32. The property in question is known occupied habitat for the Quino and gnatcatcher.
8 33. The discing associated with the application of sludge will reduce the habitat for both the
9 Quino and the gnatcatcher.
10 34. The application of the sludge itself will result in habitat modifications which will have an
11 impact on the Quino and the gnatcatcher.
12 35. The County failed to conduct environmental review prior to issuance of the permit to
13 apply sludge in spite of the fact that the action has the potential to (a) substantially reduce
14 the habitat an endangered species, (b) cause an endangered species population to drop
15 below self-sustaining levels, (c) threaten to eliminate an animal community and (d)
16 reduce the number or restrict the range of an endangered species. Failure to conduct an
17 environmental review in light of these potential impacts which would result in mandatory
18 findings of significance, is in violation of CEQA Guidelines §15065.
19 36. By not completing an environmental review, when the issuance of a permit to apply
20 sludge will have a significant effect on the environment, Respondents committed a
21 prejudicial abuse of discretion as specified in Pub. Res. Code § 21005 and must therefore
22 be set aside.
23

24 **FOURTH CAUSE OF ACTION**

25 **(Declaratory Relief)**
26

- 27 37. Petitioner hereby realleges and incorporates paragraphs 1 through 36 inclusive.
28 38. The requirements of Ordinance 696 which requires discing the land to which the sludge is

1 applied has the potential in all cases to result in a significant impact to the environment.

2 39. Section 4 of ordinance 696 is inherently incompatible with the provisions of CEQA in
3 that it requires approval of sludge application sites within fifteen days of application
4 submittal or the application becomes automatically approved..

5 40. In approving the Project, the County violated the provisions of CEQA set forth in Causes
6 of Action II-III. Petitioners therefore seek a declaratory judgment that the Respondent
7 has violated CEQA, and seek relief declaring that the Respondent has a duty to comply
8 with the sections cited in these Causes of Action and ordering the Respondent to comply
9 with and enforce its duties under these sections

10 41. Petitioners therefore seek a declaratory judgment that the issuance of a permit for the
11 application of sludge is a project under CEQA and that the County has a duty to conduct
12 environmental review prior to approving such applications. Petitioners seek the further
13 declaratory judgment that the provisions of Ord. 696 relative to approval of applications
14 within 15 days of submission are inconsistent with the requirements of CEQA and that
15 the time period must be revised to comply with the requirements of CEQA.

16
17 WHEREFORE, Petitioner prays for the following relief on all causes of action:

18
19 42. For the court's peremptory writ of mandate requiring Respondent County to set aside its
20 decision not to require a grading permit and requiring Respondent County to complete
21 environmental review according to CEQA prior to any issuance of a grading permit or
22 any determination that such a permit is not required.

23 43. For the court's peremptory writ of mandate requiring Respondent County to set aside its
24 decision to issue a permit for the application of sludge and requiring Respondent County
25 to complete environmental review according to CEQA prior to any issuance of a sludge
26 application permit.

27
28 44. For a declaratory judgment that the issuance of a permit for the application of sludge is a

1 project under CEQA and that the County has a duty to conduct environmental review
2 prior to approving such applications. Petitioners seek the further declaratory judgment
3 that the provisions of Ord. 696 relative to approval of applications within 15 days of
4 submission are inconsistent with the requirements of CEQA and that the time period must
5 be revised to comply with the requirements of CEQA.

6 45. For the County to prepare, circulate, and properly consider legally adequate
7 environmental documentation as required by CEQA and otherwise comply with CEQA in
8 any subsequent issuance of a sludge application permit.

9 46. For costs of this suit, including attorney's fees as authorized by CCP § 1021.5.

10 47. For preliminary and permanent injunctive relief, a) prohibiting the Real Parties, their
11 agents, servants, assigns and all those acting in concert with Respondents from any land
12 disturbance relative to grading or the application of sludge, or the further application of
13 sludge without first having had adequate environmental review conducted, b) prohibiting
14 the County, its agents, servants, assigns and all those acting in concert with the County,
15 from issuing any grading permit or sludge application until a legally adequate
16 environmental review has been conducted, c) requiring Real Parties to restore habitat
17 destroyed in its grading activities.

18 48. For such other relief as may be just and proper.

19
20 DATED: March 1, 2000

Respectfully submitted.

Johnson & Sedlack

Raymond W. Johnson and Carl T. Sedlack

21
22
23 By: 

24 Raymond W. Johnson, Esq. AICP

25 Attorneys for the Petitioner.

26 Endangered Habitats League
27
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VERIFICATION

State of California)

) SS.

County of Riverside)

I, the undersigned, certify and declare that I have read the foregoing Petition for Writ of Mandate and Declaratory Relief and know its contents. The statement following the box checked is applicable.

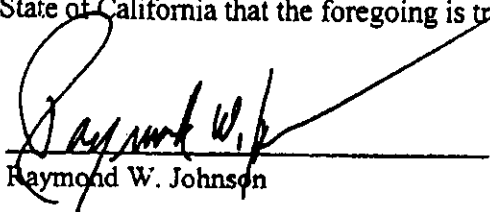
I am a party to this action. The matters stated in the document described above are true of my own knowledge and belief except as to those matters stated on information and belief, and as to those matters I believe them to be true.

I am () an officer of Endangered Habitats League, a party to this action, and am authorized to make this verification for and on its behalf, and I make this verification for that reason. I am informed and believe and on that ground allege that the matters stated in the document described above are true.

(X) I am the attorney, or one of the attorneys for Endangered Habitats League, a party to this action. Such party is absent from the county where I or such attorneys have their offices and is unable to verify the document described above. For that reason, I am making this verification for and on behalf of that party. I am informed and believe that the matters in the complaint are true and on the ground that they allege that the matters stated therein are true.

I declare under penalty of perjury of the laws of the State of California that the foregoing is true and correct.

Dated: March 1, 2000


Raymond W. Johnson

Endangered Habitats League

Verification

Recording Requested By
First American Title Company

First American Title
RECORDING REQUESTED BY AND

WHEN RECORDED RETURN TO:

GIBSON, DUNN & CRUTCHER LLP
333 South Grand Avenue
Los Angeles, CA 90071
Attn.: Kristine Robertson, Esq.

DOC # 2000-433302

11/01/2000 06:00 Fee:140.00

Page 1 of 37

Recorded in Official Records

County of Riverside

Bary L. Orme

Recorder, County Clerk & Recorder



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A	R	L			COPY	LONG	REFUND	REDE	LONG

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST,
ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURE FILING**

T
YS

2168337-22
THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "Deed of Trust") made this 30th day of June, 2000, between VAIL LAKE - RANCHO CALIFORNIA, LLC, a California limited liability company, herein called TRUSTOR, whose address is 29400 Rancho California Road, Temecula, California 92591, FIRST AMERICAN TITLE INSURANCE COMPANY, herein called TRUSTEE, to and for the benefit of DYNAMIC FINANCE CORPORATION, a California corporation, herein called BENEFICIARY.

WITNESSETH: That Trustor hereby GRANTS to TRUSTEE, IN TRUST, WITH POWER OF SALE, all that property in a portion of that certain unincorporated territory of the County of Riverside, State of California, described as:

(See Exhibit A attached hereto and incorporated herein)

including all buildings, structures, and improvements now or hereafter thereon, and all and singular the tenements, hereditaments, appurtenances, reversion and reversions, remainder and remainders, all water and water rights, pumps and pumping plants, pipes, flumes and ditches thereunto belonging or in anywise appertaining, and all shares of corporate stock evidencing the same; ALSO INCLUDING all machinery, equipment, material, appliances, and fixtures now or hereafter installed or placed in said buildings or on said real property for the generation and distribution of air, water, heat, electricity, light, fuel or refrigeration or for ventilating or air conditioning purposes or for sanitary or drainage purposes or for the exclusion of vermin or insects or for the removal of dust, refuse or garbage, and including all elevators, awnings, window shades, drapery rods and brackets, screens, floor coverings, lobby furnishings and incinerators; all of the items and things so specified being hereby declared to be, and in all

10387927 1.DOC

318254 RCCC/VL Rancho CA Deed of Trust

EXHIBIT H

(xiii) all insurance policies and any proceeds thereof including, without limitation, proceeds of any voluntary or involuntary disposition or claim respecting any part thereof (pursuant to judgment, condemnation award or otherwise) with respect to the property described in the Deed of Trust;

(xiv) any equipment leases in which the Trustor is the lessee leasing equipment of the type described in this Deed of Trust;

(xv) any and all documents, books and records relating to the ownership and operation of the Property, including without limitation, computer records, computer tapes and electronic and electromagnetic representations and reproductions thereof, leases, service contracts, statements of operations, maintenance manuals, repair logs, and similar documents; and

(xvi) all additions, renewals, substitutions or replacements of any of the above

(collectively, all of the property described in this paragraph from and after the words "State of California, described as" shall be referred to as the "Property").

FOR THE PURPOSE OF SECURING:

FIRST. Payment to Beneficiary of all sums at any time owing under that certain Promissory Note (the "Note") of even date herewith, in the principal amount of Eighteen Million and No/100 Dollars (\$18,000,000.00), executed by Rancho California Country Club, LLC, a California limited liability company ("Borrower"), and payable to the order of Beneficiary, as lender; and

SECOND. Payment and/or performance of every obligation, covenant, promise and/or agreement contained in any Loan Document (as defined in the Note).

THIRD. Payment and/or performance of every obligation, covenant, promise and/or agreement herein contained.

FOURTH. Payment and/or performance of every obligation, covenant, promise and/or agreement contained in any other written instrument executed by Trustor in favor of Beneficiary if, but only if, the written instrument expressly states that the instrument is secured by this Deed of Trust.

A. For the purpose of protecting and preserving the security of this Deed of Trust, Trustor promises and agrees:

1. **Maintenance.** Trustor agrees (a) to keep all buildings, structures, and other improvements now or hereafter situate upon said Property at all times entirely free of dry rot, fungus, termites, beetles, and all other wood-boring, wood-eating and other harmful or destructive insects, and in all respects to properly care for and keep all of said Property including all such buildings, structures and other improvements in good condition and repair; (b) not to remove, demolish, or substantially alter (except such alterations as may be required by laws, ordinances, or regulations) any buildings, structure, or improvement thereon; (c) to complete promptly and in good and workmanlike manner any building or other improvement which may

LA 103-2

\$18MM RCCC/VL Rancho CA Deed of Trust



IN WITNESS WHEREOF, the undersigned has executed this Deed of Trust as of the date first above written.

TRUSTOR:

VAIL LAKE - RANCHO CALIFORNIA, LLC, a
California limited liability company

By: Shining City, Inc., a Wyoming corporation,
its Managing Member

By: 
William P. Johnson, President



EXHIBIT A

THAT CERTAIN PARCEL OF LAND SITUATED IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING PARCEL "C" OF LOT LINE ADJUSTMENT NO. 3718 RECORDED JUNE 24, 1994 AS INSTRUMENT NO. 257198 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

TOGETHER WITH THAT PORTION OF PARCEL "D" OF SAID LOT LINE ADJUSTMENT NO. 3718 DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHWESTERLY CORNER OF SAID PARCEL "D" THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL "D" THROUGH THE FOLLOWING COURSES:

SOUTH 05° 56' 26" EAST 475.35 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 740.00 FEET;
THENCE ALONG SAID CURVE SOUTHEASTERLY 517.01 FEET THROUGH A CENTRAL ANGLE OF 40° 01' 50";
THENCE TANGENT FROM SAID CURVE SOUTH 45° 58' 16" EAST 1247.33 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 700.00 FEET;
THENCE ALONG SAID CURVE SOUTHEASTERLY 410.65 FEET THROUGH A CENTRAL ANGLE OF 33° 36' 43";
THENCE TANGENT FROM SAID CURVE SOUTH 79° 34' 59" EAST 301.26 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 390.00 FEET;
THENCE ALONG SAID CURVE SOUTHEASTERLY 198.84 FEET THROUGH A CENTRAL ANGLE OF 29° 12' 43";
THENCE TANGENT FROM SAID CURVE SOUTH 50° 22' 16" EAST 75.81 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 400.00 FEET, SAID CURVE BEING HEREINAFTER REFERRED TO AS CURVE "A";
THENCE ALONG SAID CURVE SOUTHEASTERLY 249.05 FEET THROUGH A CENTRAL ANGLE OF 35° 0' 24";
THENCE TANGENT FROM SAID CURVE SOUTH 14° 41' 52" EAST 40.66 FEET TO AN ANGLE POINT IN SAID SOUTHWESTERLY LINE OF PARCEL "D" AND A POINT ON A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 2055.00 FEET IN THE NORTHERLY LINE OF STATE HIGHWAY 79 (110.00 FEET WIDE), A RADIAL LINE OF SAID CURVE FROM SAID POINT BEARS SOUTH 14° 42' 03" EAST;
THENCE LEAVING SAID SOUTHWESTERLY LINE OF PARCEL "D", ALONG SAID NORTHERLY LINE AND CURVE EASTERLY 198.93 FEET THROUGH A CENTRAL ANGLE OF 05° 32' 47";
THENCE NON-TANGENT FROM SAID CURVE NORTH 26° 09' 20" WEST 328.64 FEET;
THENCE SOUTH 48° 01' 14" WEST 168.61 FEET TO THE NON-TANGENT INTERSECTION WITH A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 430.00 FEET AND BEING CONCENTRIC WITH THE HEREBEFORE DESCRIBED CURVE "A", A RADIAL LINE OF SAID CURVE FROM SAID POINT BEARS SOUTH 48° 24' 15" WEST;



Feds propose butterfly habitat

■ Agency also subtracts Camp Pendleton in final toad habitat

DAVE DOWNEY
STAFF WRITER

CARLSBAD — A federal agency Wednesday proposed protecting an area the size of Los Angeles as critical habitat for a colorful butterfly that once filled Southern California skies in springtime, but has been pushed to the brink of extinction and now lives only in Riverside and San Diego counties.

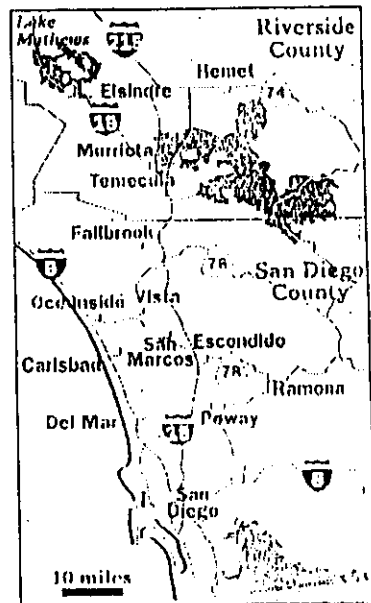
At the same, the U.S. Fish and Wildlife Service released its final critical-habitat regulation for the olive green or gray arroyo Southwestern toad, restricting building and other activities along several north San Diego

County rivers, but not at Camp Pendleton Marine Corps Base as the agency originally had proposed.

The initial 478,000-acre proposal, which drew sharp criticism from military officials and the building industry, was ultimately shaved to 182,000 acres in eight counties, including Riverside and San Diego.

The proposed habitat for the Quino checkerspot butterfly — whose wings sport a black, red and cream-colored checkerboard pattern — totals 301,000 acres. The agency proposed designating four key areas as critical habitat: Lake Mathews, southeast of Corona; a 173,000-acre block stretching east from Temecula and Murrieta almost to the desert; the Olay Mesa area near the international border; and a chunk of southeastern San Diego County.

Quino Checkerspot
Butterfly proposed
critical habitat units



Source: Federal Register

NCT

➤ BUTTERFLY, A-8

CALIFORNIAN 2-8-81 (Front Page)

➤ BUTTERFLY

Critical Quino
habitat gets
approval in
reduced form

Continued from A-1

Federal officials said they left out large chunks of central and northern San Diego counties because unfolding habitat conservation plans are expected to be adequate to protect the butterfly there.

David Hogan, a San Diego County spokesman for the Tucson, Ariz.-based Center for Biological Diversity, called the butterfly proposal a good one. Hogan's group filed lawsuits that forced the federal agency to designate critical habitat for several

endangered species.

"It appears that the Quino critical habitat is extensive and includes many important areas for the species," Hogan said. "We can only hope that the service will vigorously defend this proposal from developers who would seek to scale it back."

But Temecula area developer Bill Johnson said the territory, which takes in much of the 7,700 acres he owns around Vail Lake and where he eventually plans to build 5,000 homes, is overkill.

"We've done Quino surveys out there for the last three years, and we just simply have not found the butterfly," Johnson said. "It's just not there."

And Borre Winkel, the executive director for the Riverside chapter of the Building Industry Association, said, "It disproportionately affects the Temecula-Murrieta area, and will drive up the cost of housing there

tremendously."

Hogan said the service has a history of caving in to developers, landowners and military officials who complain about the size of critical habitat proposals, and the toad was no exception. He said the service made a particularly critical mistake in taking Camp Pendleton — save for a small agricultural strip along San Mateo Creek — off the map.

"The Fish and Wildlife Service apparently, and cynically, believes that the benefits of training for war outweigh the benefits of preventing extinction," he said.

Not so, said Jane Hendron, a Fish and Wildlife spokeswoman in Carlsbad.

Hendron said the federal Endangered Species Act authorizes the agency to exclude areas on the basis of economic and military hardships, as long as such decisions do not lead a species

EXHIBIT I

down the path to extinction. She said officials concluded that even if the toad were to disappear from Camp Pendleton, it would still survive elsewhere.

Camp Pendleton officials declined comment Wednesday, saying they hadn't had an opportunity to review the final rule.

While the base's removal accounts for a significant chunk of the toad-habitat shrinkage, the biggest reduction is a result of mapping territory more precisely with advanced technology, Hendron said.

In recent years, the Fish and Wildlife Service determined both animals were in danger of becoming extinct; indeed, at one point officials thought the Quino already had disappeared. The service listed the toad as endangered in December 1994 and the butterfly in January 1997.

But the agency did not identify critical habitat then for either

species, saying doing so would have done more harm than good. Pinpointing where the animals live, officials said, would have opened them up to attacks by vandals and collectors.

But the Center for Biological Diversity and another environmental group, Christians Caring for Creation, contended that the greater danger was habitat loss and obtained court orders to force the service to draw critical-habitat maps.

Both the colorful butterfly and the warty-skinned amphibian have been disappearing from California maps because spreading urbanization, colonization of pristine lands by nonnative plants, farming, dam building and even camping in the forest has wiped out much of their habitat. The toad has disappeared from three-fourths of the streams it used to inhabit. The butterfly's case is even worse; it

has disappeared from Los Angeles, Orange and San Bernardino counties.

In the toad's case, the final rule protects sections of the San Jacinto, San Mateo, San Onofre, Santa Margarita, San Luis Rey, Santa Ysabel, Sweetwater and Cottonwood creeks and rivers, in Riverside and San Diego counties.

Designation as critical habitat does not mean a particular piece of land is destined to become a wildlife reserve. It means that if the federal government is involved in any way, through funding or permits, with planned development, landowners must consult with service officials to see whether their plans will harm habitat and, if so, to take measures to reduce the impact.

Contact staff writer Dave Downey at (760) 740-3529 or ddowney@nctimes.com.

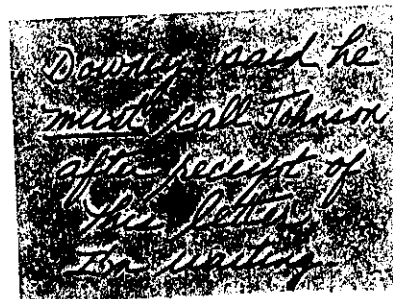
PRINCIPE AND ASSOCIATES

CONSULTING BIOLOGISTS

PMB 113
40485-D Murrieta Hot Springs Road
Murrieta, California 92563-6406
(909) 677-9514
(909) 600-0608 Fax

February 16, 2001

Dave Downy
NORTH COUNTY TIMES
News Department
207 East Pennsylvania Avenue
Escondido, California 92025



Subject: February 8, 2001 Article
Quino Checkerspot Butterfly

Dear Dave,

In March, 1998, I was hired by Bill Johnson to conduct focused surveys for the Quino checkerspot butterfly at Vail Lake. A Professional Services Agreement was signed by both of us, and I was paid a retainer. The studies were required for a proposed lot-line adjustment to establish 12 single-family residential lots and access roads. The study area included 300 acres. It was the first phase of a series of projects he envisioned at Vail Lake after its purchase.

On Saturday, April 18, 1998, my son and I identified two adult QCB in the study area. Photographs of the butterflies were taken, and the findings were reported to the U.S. Fish and Wildlife Service by phone within 24 hours (by protocol). Bill Johnson was notified of the findings on the following Monday. We discussed in length the consequences (USFWS consultation and Section 10 permitting, mitigation involving preserving 3-5 times the amount of habitat that would be lost to the development, etc.). I recommended pursuing onsite preservation along the north shore of Vail Lake due to the proximity to Oak Mountain. Thousands of acres of remote, inaccessible land are situated there, and its preservation would aid in the recovery of the species (because of the known population of QCB occupying Oak Mountain). And, he would still have 4,000 to 5,000 acres left over. The findings or the mitigation concept were not acceptable to Bill Johnson.

EXHIBIT J

Dave Downy
February 15, 2001
Page 2

After that, I was not given a copy of the lot-line adjustment map to complete my work, and he even changed the gate locks around Vail Lake so I could not get in anymore. Other biologists were hired immediately after I was excluded from the site. I would be interested to know what the new biologists found at the site, or did not find. For Bill Johnson to say that after three years of surveys, "QCB are simply not there" is an outright lie. How then are photographs of the nonexistent Vail Lake QCB on the U.C., Riverside and American Planning Association's websites?

In conclusion, it is interesting to note that the grading done at Vail Lake last year without a County grading permit (I checked) – is the same as the lot layout shown on the map he gave to me?

Thank you for your attention to the above-mentioned matters. If you have any questions, then please call me at (909) 677-9514.

Sincerely,
PRINCIPE AND ASSOCIATES

A handwritten signature in cursive script that reads "Paul A. Principe".

Paul A. Principe
Principal

PAP/jh



Dancing Horse*
defends property
rights.

U.S. CONSTITUTION FIFTH AMENDMENT

Amendment V

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

*Have A Happy And Safe
4th of July From All Of Us At*



JOHNSON + JOHNSON
PROPERTIES, INC.

EXHIBIT J-1

► ACCORD, A 4

Builders propose memorial

■ Landowners want to showcase the plight of property owners in SoCal

DAVE DOWNEY
STAFF WRITER

TEMECULA — Bill and Tish Johnson, prominent landowners who have helped develop more than 50,000 acres in the Temecula Valley over the last three decades, said this week they plan to erect a "property-rights memorial" near the center of town.

The Johnsons, who are trying to turn Vail Lake into a regional resort, build an upscale housing tract in DeLuz and expand the auto mall in Temecula, said they plan to put up a large plaque on a hill next to the Temecula Duck Pond to

► BUILDERS, A 6

A-6 WEDNESDAY, July 26, 2000

► BUILDERS

Continued from A-1

call attention to the plight of property owners in Southern California, who they say are having to forfeit land for endangered species reserves. The couple owns the 14 acres south of the popular city park at Ynez and Rancho California roads. A plan has not been submitted to the city.

"I see it in black granite," said Bill Johnson. "I envision it looking something like the Vietnam Memorial, where property owners can inscribe their names in the wall. We're asking them to step forward to tell their story. I intend to have it in place by Fourth of July 2001."

The targeted completion date is intentional; Johnson wants to call attention to the right of land ownership, something he contends is being trampled upon by efforts to develop habitat conservation plans throughout the region.

One such plan is in the works in Riverside County, where 151,000 acres of private land is being targeted for 164 endangered plant and animal species, including the Quino checkerspot butterfly and the coastal California gnatcatcher

bird. Environmental groups and regional officials say such a plan is needed to help Riverside County comply with the federal Endangered Species Act. Johnson contends it is not needed.

Johnson characterized such conservation plans and the U.S. Fish and Wildlife Service's decisions to designate critical habitat for some species as the "greatest land grab by the federal government since the seizure of territory from the Indians."

Bill Burford, project director in Newport Beach for the Nature Conservancy, which purchases private property for preservation purposes, said that is an inaccurate picture of what is happening.

"I don't think that is a fair characterization," Burford said. "I'm not aware of any land that has been taken."

Dan Silver, coordinator of the Endangered Habitats League and a member of the county advisory committee hammering out the conservation plan, said Johnson's venture is based on "false assumptions and a lot of rhetoric."

Society has determined that setting aside land for the preservation of rare animals and plants is an appropriate reason for regulating land use, Silver said, and courts have upheld that as legitimate public

policy.

Such policy may have the support of courts, but Johnson said the truth is that when Fish and Wildlife Service — the federal agency charged with carrying out the Endangered Species Act — targets territory for preservation, land loses much of its value virtually overnight.

Johnson said that's what happened to him last decade. Johnson owned 2,000 acres in Sylvan Meadows and Hidden Valley that is now part of the 8,300-acre ecological reserve on the Santa Rosa Plateau.

"We lost it in foreclosure because we could not make the payments, we could not sell it, we could not refinance it," Johnson said.

The land, after it was reclaimed by Kemper Real Estate, fetched \$3.8 million from the Nature Conservancy and the county in 1995, Burford said. Johnson said he paid \$18 million initially for the property during the 1980s.

"My understanding was that Mr. Johnson was invited to negotiate a transaction and he and his partners did not do so," Burford said. Johnson said doing so would have been tantamount to having his land condemned.

Burford said Johnson's Santa Rosa Plateau property lost its value because of timing, not



STEVE THORNTON / STAFF PHOTOGRAPHER

Bill and Tish Johnson look over the artist's rendering of their development in the spot where they plan a property-rights memorial to landowners who have had their land taken over by governments for reserves.

because it was targeted for development.

"The bottom fell out of the real estate market," Burford said.

Bob Buster, 1st District county supervisor, said, "Mr. Johnson is assuming that property owners have a right to housing tract zoning.

That right only exists in the minds of speculators who want to make money off of land. That is not a right under the Constitution."

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
b) Have a substantial adverse effect, either directly or through habitat modifications, on any endangered, or threatened species, as listed in Title 14 of the California Code of Regulations (Sections 670.2 or 670.5) or in Title 50, Code of Federal Regulations (Sections 17.11 or 17.12)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U. S. Wildlife Service?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U. S. Fish and Wildlife Service?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: CGP Fig. VI.36-VI.40, GIS

Findings of Fact: a) The project site is not within an adopted Habitat Conservation Plan (HCP), Natural Conservation Community Plan, or other approved conservation plan. b-c) Preliminary GIS surveys indicate the project area has potential habitat for at least three federally protected species: Stephens' kangaroo rat, Quino checkerspot butterfly, and California gnatcatcher. The site is also home a known population of the federally protected Vail Lake ceanothus (buckthorn). Numerous other sensitive plant and wildlife species are also likely to occur on or around the project site. The construction of up to 5,172 homes, as well as other uses, may have a significant impact on protected and sensitive plant and wildlife species and their habitats due to loss of habitat and human disturbance. d) Temecula Creek represents a major wildlife movement corridor in the region. development of the site will have significant impacts on this corridor. e-f) There are a number of United States Geological Survey-recognized blue-lined streams that cross the property and numerous drainages associated with Vail Lake. These blue-lined streams and drainages may have sensitive plant communities associated with them and/or harbor sensitive biological species. The construction of up to 5,172 homes, as well as other uses, may have a significant impact on riparian habitats and other sensitive plant communities on-site. g) Potential exists for mature oak trees to occur on the site. SWAP and Vail Lake Policy Area policies call for a number of measures designed to protect the natural environment in the region. The applicant will be required to comply with all local policies and ordinances.

Mitigation: Potential significant adverse impacts to biological resources caused by this project will be evaluated in the required EIR for this project and mitigation measures established.

Monitoring: Monitoring shall be determined after the mitigation measures have been established (i.e. completion of the EIR).

Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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HYDROLOGY AND WATER QUALITY Would the project

23. Water Quality Impacts

a) Substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Place housing within a 100-year flood hazard area, as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Otherwise substantially degrade water quality?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Project Application, GIS, USDA Soil Conservation Survey, CGP Fig. VI.7

Findings of Fact: a) Numerous blue-lined streams cross the property. Development of the project as proposed may have a significant impact on these stream channels, including the potential for increased erosion and water quality degradation. Water erosion may be significantly impacted by the introduction of additional concrete surfaces as proposed by the project. b,d) It is presumed that the project shall comply with the requirements of the State Water Quality Control Board (including National Pollutant Discharge Elimination System permitting) and federal Clean Water Act requirements which will mitigate for potential impacts to water quality. c) In the absence of data showing otherwise, it is assumed that the project will have potentially significant impacts on groundwater quality and supply in the region. e-f) The project is not located within a FEMA flood zone or special flood zone. Numerous blue-lined streams cross the property. Development of the project as proposed may have a significant impact on the stream channels. In addition, water erosion may be significantly impacted by the introduction of additional concrete surfaces as proposed by the project. However, Figure VI.7 of the CGP shows flooding potential for the upstream reaches of Temecula Creek in the southeastern portion of the project site. g) The project's proposed recreational uses have the potential for significant degradation of water quality in Vail Lake. The Vail Lake Policy Area under SWAP requires a "lake management plan" to protect the water quality and water-uses of the lake which should be designed to address water impacts associated with the project.

Mitigation: Potential significant adverse impacts to water quality caused by the project will be evaluated in the required EIR for this project and mitigation measures established.

Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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Monitoring: Monitoring shall be determined after the mitigation measures have been established (i.e. completion of the EIR).

24. Floodplains

Degree of Suitability in 100-Year Floodplains. As indicated below, the appropriate Degree of Suitability has been checked.

NA - Not Applicable ☒ U - Generally Unsuitable ☐ R - Restricted ☐

a) Substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Changes in absorption rates or the rate and amount of surface runoff?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam (Dam Inundation Area)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Changes in the amount of surface water in any water body?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: CGP Fig. VI.7, GIS

Findings of Fact: a) This project is not within an established 100-year floodplain. Numerous blue-lined streams cross the site. Alteration of these streams and drainages as a result of the project may expose future residents and structures to potentially significant risks from flooding. b) The project has the potential to change absorption rates on-site due to increases in the amount of impermeable surfaces associated with development and create a significant amount of surface runoff. c) The area along Temecula Creek downstream from the dam face in the northwestern reach of Vail Lake is within a dam inundation area. Project development below the dam face may potentially expose people and structures to significant dam inundation risks. d) It is not known at this time what impacts, if any, the project may have on the amount of surface water in Vail Lake. Therefore, in the absence of data indicating otherwise, the project is assumed to have a potentially significant impact on surface water amounts.

Mitigation: Potential significant adverse impacts to the project caused by floodplains will be evaluated in the required EIR for this project and mitigation measures established.

Monitoring: Monitoring shall be determined after the mitigation measures have been established (i.e. completion of the EIR).

LAND USE/PLANNING Would the project

25. Land Use

a) Result in a substantial alteration of the present or planned land use of an area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Affect land use within a city sphere of influence and/or within adjacent city or county boundaries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Source: CGP, Southwest Area Community Plan (SWAP)

1 RECORDING REQUESTED BY
2 Rancho California Water District

3 When Recorded Mail To:
4 James B. Gilpin
5 BEST BEST & KRIEGER LLP
6 402 WEST BROADWAY, 11TH FLOOR
7 SAN DIEGO, CALIFORNIA 92101 3542

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF RIVERSIDE

10
11 RANCHO CALIFORNIA WATER
12 DISTRICT, a California Water District,
13 organized and existing pursuant to the
14 provisions of Division 13 of the Water Code of
15 the State of California,

16 Plaintiff,

17 v.

18 VAIL LAKE USA, LLC, a California limited
19 liability company, ALL PERSONS
20 UNKNOWN, CLAIMING ANY LEGAL OR
21 EQUITABLE RIGHT, TITLE, ESTATE,
22 LIEN, OR INTEREST IN THE PROPERTY
23 DESCRIBED IN THE COMPLAINT
24 ADVERSE TO PLAINTIFF'S TITLE, OR
25 ANY CLOUD ON PLAINTIFF'S TITLE
26 THERETO, AND DOES, 1 THROUGH 50,
27 INCLUSIVE,

28 Defendants.

Case No. 354431

NOTICE OF PENDENCY OF ACTION

Notice of Pendency of Action

NR11 MWWJ4111



2601-856665
07/08/2001 00 000
P 14 52

EXHIBIT L

LAW OFFICES OF
BEST, BEST & KRIEGER LLP
402 WEST BROADWAY, 13TH FLOOR
SAN DIEGO, CALIFORNIA 92101-3542

1 NOTICE IS GIVEN that the above-entitled action was commenced on February 8, 2001, and
2 is now pending in the above-entitled court, by Plaintiff Rancho California Water District against
3 defendants Vail Lake USA, LLC, and All Persons Unknown, Claiming Any Legal or Equitable Right,
4 Title, Estate, Lien or Interest in the Property Described in the Complaint Adverse to Plaintiffs' Title,
5 or Any Cloud on Plaintiffs' Title.

6 The above referenced action alleges a real property claim affecting certain real property that
7 is situated in Riverside County, California, and is fully described in Exhibit "A" attached hereto and
8 incorporated herein by reference.

9
10 DATED: February 9, 2001

BEST BEST & KRIEGER LLP

11
12 By: 

13 JAMES B. GILPIN
14 Attorney for Plaintiff
15 RANCHO CALIFORNIA WATER
16 DISTRICT

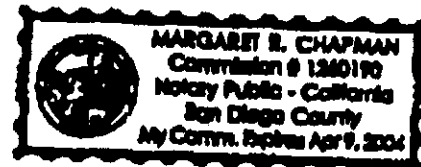
17 ACKNOWLEDGEMENT

18 State of California) ss.
19 County of Riverside)

20 On 2/9/01 (date), before me, Margaret E. Chapman (name and title of officer),
21 personally appeared James B. Gilpin (name), [personally known to
22 me or proved to me on the basis of satisfactory evidence] to be the person(s) whose name(s)
23 is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the
24 same in his/her/their authorized capacity/capacities, and that by his/her/their signature(s) on the
25 instrument the person(s), or the entity on behalf of which the person(s) acted, executed the
26 instrument.

27 WITNESS my hand and official seal.

28 Signature: Margaret E. Chapman (Seal)
Name of Office: Notary Public



- 1 -

Notice of Pendency of Action

SDIT:SIWW240111



2001-856665
02/09/2001 08:00A
7 11 72

PROOF OF SERVICE

I, Cheryl A. Cameron declare:

I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is Best Best & Krieger LLP, 402 West Broadway, 13th Floor, San Diego, California 92101-3542. On February 9, 2001, I served the within documents:

NOTICE OF PENDENCY OF ACTION

- ☐ by transmitting via facsimile the document(s) listed above to the fax number(s) set forth below on this date before 5:00 p.m.
- ☒ by causing the document(s) listed above to be mailed, by certified mail, return receipt requested, in a sealed envelope with postage thereon fully prepaid, in the United States mail at San Diego, California addressed as set forth below.
- ☐ by causing personal delivery by of the document(s) listed above to the person(s) at the address(es) set forth below.
- ☐ by personally delivering the document(s) listed above to the person(s) at the address(es) set forth below.
- ☐ I caused such envelope to be delivered via overnight delivery addressed as indicated on the attached service list. Such envelope was deposited for delivery by {Overnight Delivery Name Inserted Here} following the firm's ordinary business practices.

VAIL LAKE USA, LLC
Registered Agent: William P. Johnson
29400 Rancho California Rd.
Temecula, CA 92591

I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on February 9, 2001, at San Diego, California.


Cheryl A. Cameron

LAW OFFICES OF
BEST BEST & KRIEGER LLP
402 WEST BROADWAY 13TH FLOOR
SAN DIEGO, CALIFORNIA 92101-3542



MURRIETA

ERS B10 • COMICS B11 • WEATHER B12

Water district sues developer of Vail Lake

► The action could affect the area's water supply and use of the private body of water near Temecula.

By Tim O'Leary
The Press-Enterprise

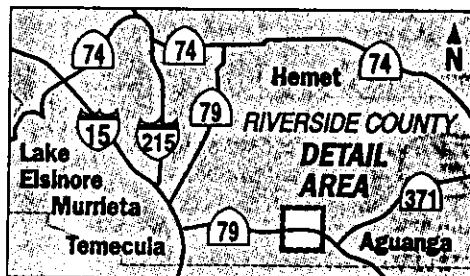
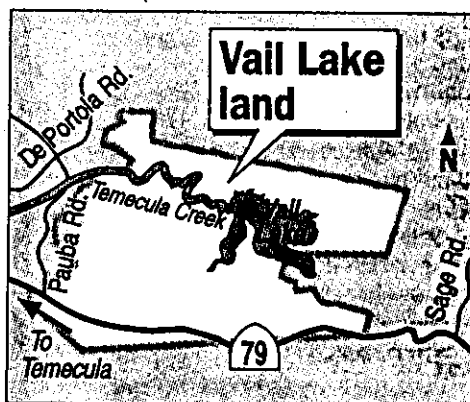
RIVERSIDE

A high-stakes battle over the future of Vail Lake near Temecula escalated last month when the local water district sued landowners who hope to develop a 5,172-home community and resort along its shores.

Rancho California Water District claims the developer, Vail Lake USA, has violated a decades-old water-rights settlement by claiming ownership of the lake and offering to store water on behalf of the San Diego County Water Authority.

Vail Lake is a source of water for local residents and businesses. If the district lost the rights to that water, it would have to import more expensive water to replace it.

Rancho California Water District also wants the courts to reject Vail Lake USA's contention that prior agreements the previous landowner made with the district should be overturned and rights to the lake, and its dam and downstream land, now belong to the developer.



The Press-Enterprise

This lawsuit and one filed by the developers a year ago could affect the area's water supply and recreational access to the nearly pristine, private lake about 15 miles east of Temecula.

Gaining access to water rights is key to
Please see VAIL, B-4

Council to see plan

EXHIBIT L-1

Elizabeth A. Smith, Esq. (SBN 082900)
Lee E. Hejmanowski, Esq. (SBN 166236)
Scott A. Miller, Esq. (SBN 190587)
SELTZER CAPLAN McMAHON VITEK
2100 Symphony Towers, 750 B Street
San Diego, California 92101
Telephone: (619) 685-3003

Attorneys for Plaintiffs and Cross- Defendants VAIL LAKE RANCHO
CALIFORNIA, LLC and VAIL LAKE USA, LLC and Cross-Defendants
DYNAMIC FINANCE CORPORATION and ANGELA SABELLA

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE**

VAIL LAKE RANCHO CALIFORNIA, LLC, a
California limited liability company; and VAIL
LAKE USA, LLC, a California limited liability
company,

Plaintiffs,

v.

SUNDANCE INTERNATIONAL, LP, a
California limited partnership; MERCURY
MANAGEMENT CORPORATION, a Nevada
Corporation; TRI-STATE RESOURCES, INC.,
a Nevada Corporation; GARY CLAWSON, an
individual; JOHN MULDER, an individual;
CENTURION CAPITAL GROUP, INC., a
Nevada Corporation; and DOES 1 through 50,

Defendants.

SUNDANCE INTERNATIONAL, L.P., a
California limited partnership,
Cross-Complainant,

v.

VAIL LAKE RANCHO CALIFORNIA, LLC, a
California limited liability company; and VAIL
LAKE USA, LLC, a California limited liability
company, ANGELLA SABELLA, an individual,
DYNAMIC FINANCE CORPORATION, an
entity of unknown origin, and ROES 1 through
50, inclusive,

Cross-Defendants.

) CASE NO. 339527

) **FIRST AMENDED COMPLAINT
FOR:**

-) (1) **JUDICIAL FORECLOSURE;**
) (2) **DECLARATORY RELIEF;**
) (3) **TEMPORARY RESTRAINING
ORDER, PRELIMINARY AND
PERMANENT INJUNCTIONS;**
) (4) **TRESPASS;**
) (5) **BREACH OF CONTRACT;**
) (6) **CONSPIRACY TO INDUCE
BREACH OF CONTRACT;**
) (7) **BREACH OF IMPLIED
COVENANT OF GOOD FAITH
AND FAIR DEALING;**
) (8) **INTENTIONAL
INTERFERENCE WITH
CONTRACT;**
) (9) **UNFAIR BUSINESS PRACTICE;**
) (10) **CONVERSION;**
) (11) **CONSPIRACY TO CONVERT;**
) (12) **FRAUD AND DECEIT; AND**
) (13) **CONSPIRACY TO COMMIT
FRAUD AND DECEIT**

) Dept: 3

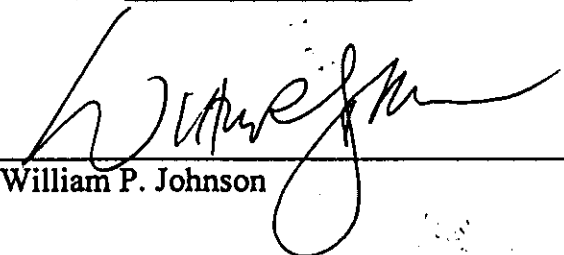
) Judge: Hon. E. Michael Kaiser

VERIFICATION

I, William P. Johnson, am the manager of the plaintiffs in the above-entitled action. I have read the foregoing first amended complaint and know its contents. The same is true of my own knowledge, except as to those matters that are alleged in the first amended complaint on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 23rd day of April 2001, at TEMECULA, California.



William P. Johnson

KELLY ABREU
ATTORNEY AT LAW

43533 RIDGE PARK DRIVE SUITE A
TEMECULA, CA 92590

PHONE 909 506 0672
FAX 909 506 0673

March 26, 2001

Mr. Tim Ven Linski
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WTR 8
75 Hawthorne Street
San Francisco, CA 94105-3901

In Re: Consent Agreement and Final Order
Docket No. CWA-404-09g-95-001
Separate Administrative Order on Consent
(Restoration and Mitigation Activities)

Dear Mr. Ven Linski:

The undersigned represents Sundance International, LP, the above referenced Consent Order's principal Responding party. A copy of the 1st page of the Consent Agreement, is the first attachment hereto. For you file purposes, the Consent Agreement dates around September 25, 1995.

Under the Consent Order, our client Sundance is linked together, for all compliance purposes, with all other Respondents under the terms and conditions of the Consent Order, including future parties, see "binding upon Respondents.... and their.... successors and assigns" (General Provisions, page 5, paragraph 1).

Also, required under the Consent Order "Nothing contained in this Consent Agreement and Final Order shall affect Respondents' continuing obligation to comply with all applicable federal, state and local laws, ordinances, regulations, permits and orders" (General Provisions, page 5, paragraph 3).

Further, specified under the Consent Order "Respondents knowingly and explicitly waive their rights.... to judicial review of this administrative civil penalty assessment and all matters stipulated therein" (General Provisions, page 5, paragraph 4).

Pursuant to the Consent Order Sundance has duly complied with all provisions of the Consent Order, including the payment of a \$60,000 penalty, and payment of many hundreds of thousands of dollars in mitigation and remedial expenses.

EXHIBIT M

COPY

Calendar year 2000 was scheduled to be the completion year for all Respondent activities specified under the terms of the Consent Order.

Attached hereto, marked Exhibit A, is the first page of the "Fifth Annual Report" proposed to be filed by LSA Associates, Inc., in behalf of the Respondents, in compliance with the above referenced Consent Order.

Irrespective of the year 2000 being the 5th and final year as required under the Consent Order, it is now being proposed by LSA, Inc., that Respondents continue to expend substantial sums for an additional period ending October, 2002. Attached hereto, with high-lighted references, is Exhibit B, the 25th page of the Draft, which sets forth the proposed added mitigation activities.

Also, attached hereto, with high-lighted references, is Exhibit C, the 24th page of the Draft, which sets forth LSA'S observations of certain violation of a "successor" to the Consent Order. Specifically, substantial grading in the "mitigation area". These activities are being conducted by several KRDC, Inc., successor Limited Liability Companies, managed by William P. Johnson.

Our clients are distressed for many reasons, including the following:

- a) It is proposed in the "draft" Sundance expend many additional thousands of dollars to continue, for who knows how long, extended compliance with the Consent Order.
- b) We are informed that several Federal and State Agencies have made extensive studies concerning improper invasion of endangered species habitat and violation of the waters of Vail Lake by the William P. Johnson entities, and as a potential consequence, as an innocent party, Sundance may suffer severe constraints on Sundance and its Members use and enjoyment of its facilities. Sundance having waived their customary due process rights, may now find themselves subject to substantial criminal and civil penalty assessments for their Co-Respondent KRDC, Inc.'s "assigns and successors" violations.
- c) It seems unjust, and an absence of equal enforcement of the environmental laws and ordinances, for our client to continue to abide with the law, to the point of expending additional future services and expenses, while the Managers of the LLC's, a contiguous property owner (the successor in interest), have committed, and continue to commit, alleged major violations of environmental laws and ordinances without becoming subject to any known enforcement activities.

Based upon the foregoing, our clients do request, that our client Sundance, and its affiliates, collectively, be released from any further restorative and mitigative activities, costs, or expenses.

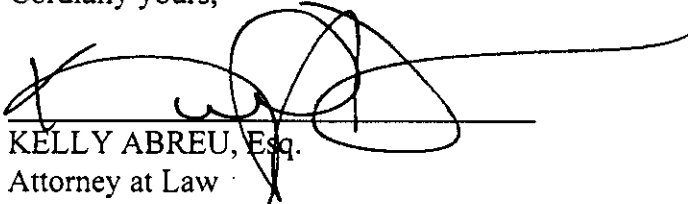
Further, that the above referenced Consent Agreement and Final Order, and any and all separate

COPY

Page 3 of 3

Administrative Orders of Consent, be ruled fully complied with, that the Orders be terminated and satisfied, and Respondents fully released from all duties and obligations contained therein.

Cordially yours,



KELLY ABREU, Esq.
Attorney at Law

Address response. To John Mulder, JD

COPY



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

IN THE MATTER OF:) Docket No. CWA-404-09g-95-001
)
Sundance International,)
Ltd. and KRDC, Inc.)
)
Respondents.)

CONSENT AGREEMENT AND FINAL ORDER
ASSESSING ADMINISTRATIVE PENALTIES

STATUTORY AUTHORITY

1. This Consent Agreement is entered into under the authority vested in the Administrator of the U.S. Environmental Protection Agency ("EPA") by Section 309(g)(2)(A) of the Clean Water Act (hereinafter "CWA" or "the Act"), as amended, 33 U.S.C. § 1319(g)(2)(A). The Administrator has delegated this authority to the Regional Administrator of EPA Region 9, who has in turn delegated it to the Director of the Water Management Division of EPA Region 9. In accordance with the procedures set out at 40 CFR Part 22 - "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation or Suspension of Permits", the Regional Administrator, Region IX hereby issues this Final Order.

STIPULATIONS AND FINDINGS

1. KRDC, Inc. ("KRDC") and Sundance International, Ltd. ("Sundance") (hereinafter collectively "Respondents"), by their attorneys or other authorized representatives stipulate, and EPA

COPY

**VAIL LAKE MARINA HABITAT AND MITIGATION
MONITORING: FIFTH ANNUAL REPORT**

December 22, 2000

Prepared by:

*Steve Clawson
Sunforce International
4544 Sage Road
Agoura, CA 92536*

Prepared by:

LSA Associates, Inc.
One Park Plaza, Suite 500
Irvine, California 92614
(949) 553-0666
LSA Project #SUN501

COPY

Cottonwood Alluvial Woodland

The performance standard for cottonwood alluvial woodland canopy cover is not applicable, per the revised performance standards (see Table H).

There were no exotics recorded within the study areas during the September, 2000, survey. This meets the performance criterion of five percent or less for exotic species.

Riparian Upland Transition

The native cover (see Figure 8) increased from 20.1 in September, 1999, to 21.7 percent in September, 2000, falling below the fifth year performance standard. The seeded and container plant native species included four-winged saltbush, California buckwheat, giant wild-rye, and tarragon. Cottonwood was also present in this area. The following volunteer species were also present: alkali heliotrope and western ragweed.

There was an increase in the amount of nonnative grasses and herbs observed from 0.5 percent cover in September, 1999, to 25.0 percent in September, 2000.

The exotic species cover of 5.1 percent exceeds the acceptable performance criterion parameter of five percent or less (see Table H); therefore, the performance criterion has not been met.

Wildlife Use

Wildlife recorded in and immediately adjacent to the revegetation site has increased from 13 species in 1996 to 33 species in 2000. This increase in wildlife species recorded using the revegetation sites indicates an increase in species diversity as the native habitat has become established. Since the primary goal of the mitigation effort is to provide wildlife habitat, the project appears to be successful.

Grading Activities in the Vicinity of the Mitigation Site

VIOLATION OF CONSENT DECREE

During the summer of 1999, the landowner graded several thousand feet of roads and building pads on the hillsides surrounding Vail Lake. A small (approximately 200 square foot area) of the mitigation site was impacted by heavy equipment, apparently as part of this road grading activity. The landowner has been contacted regarding this matter. It is not known how or when this issue will be resolved.

RECOMMENDATIONS FOR MEETING PERFORMANCE CRITERIA

After reviewing the progress data and site conditions, LSA recommends the following tasks be completed:

- Throughout all habitat types in Areas 1 and 2, through October, 2002: continue to cut and treat all tree tobacco and tamarisk seedlings and re-sprouts, before they set seed, with 100 percent of the specified herbicide. All flowers and seed should be bagged and immediately removed from the site.
- Riparian/Upland Transition Area, through October, 2001: continue to remove nonnative weeds before they set seed; focus on bull thistle, tamarisk, tree tobacco, mustards and cocklebur. If they do develop seed heads, cut and bag all seed heads and remove from the site.

CONCLUSIONS

The Vail Lake Marina riparian mitigation site, with the exception of the Riparian/Upland Transition habitat area, has met the fifth year performance criterion for exotic plant species; however, the Riparian/Upland Transition habitat area does not meet the 35 percent cover performance criterion. Regardless, when looking at the native vegetative cover on the site compared to pre-implementation of the mitigation efforts, there is an improvement in wildlife habitat in all habitat types. The Riparian/Upland Transition area is likely to meet or come close to the performance criterion if maintenance (predominately weeding) continues in these areas for one more year. The plants that are present in these areas are considered established and are no longer in need of supplemental watering.



LOOKING EAST TOWARD GOVERNMENT RE-VEGETATION AREA, ROADS, AND TWO NEW BUILDING PADS

MILLENNIUM
REAL ESTATE ADVISORS, LLP
SOUTHERN CALIFORNIA OFFICE
949-497-9806 / 949-497-0012

September 8, 2000

Mr. Isaac Lei
Alcon Group, Inc.
1800 South Robertson Boulevard
Building No. 6, #138
Los Angeles, CA 90035

RE: An appraisal of the Vail Lake holdings comprising 6,377.23 acres of land located approximately two miles east of the intersection of Anza Road and Highway 79 in Temecula, California

Dear Mr. Lei:

I am transmitting the appraisal report that you requested for the above referenced property. The subject property is a large land holding including Vail Lake. The property is currently being planned for a large-scale development. This analysis takes into consideration the land in its "As Is" condition, along with the impact of the lake on the surrounding land holdings. The analysis does not provide contributing value to rights such as water storage, water rights, contract receivables and the RV park located in the south/central portion of the property.

After a careful analysis of the subject property and market conditions in the Temecula Valley, my value conclusions are:

Market Value "As Is" (August 19, 2000)	\$31,000,000
Liquidation Value (August 19, 2000)	\$15,000,000

This report is transmitted in a summary format of a complete analysis. The report is intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Ethics and Standards of Professional Practice of the Appraisal Institute. A summary of Limiting Conditions and a signed Certification are contained at the end of Section 1 of the attached report.

452 HOLLY STREET, LAGUNA BEACH, CA 92651
4590 MACARTHUR BLVD., WASHINGTON, DC 20007
434 S. WILLIAMS BLVD., SUITE 210, TUCSON, AZ 85711

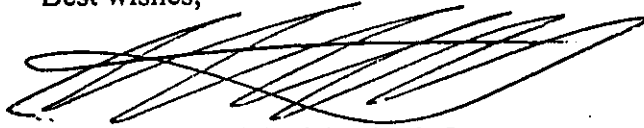
EXHIBIT N

Mr. Isaac Lei
Vail Lake
September 8, 2000
Page Two

The property has been valued with no contribution considered from the current planning process. As the entitlement process continues, the value will rise. As pointed out in the analysis of highest and best use, the property could be worth \$100 million or more when the property is entitled and ready for development.

I appreciate the opportunity to have been of service in this matter. If you have any further questions, please feel free to contact me at your convenience.

Best wishes,

A handwritten signature in black ink, appearing to read 'Robert E. Dietrich', with a stylized, overlapping flourish at the end.

Robert E. Dietrich, CCIM, MAI
CA Cert. General Appraiser #AG009539

RED:vjd
00-132